



City of Pflugerville

Legislation Text

File #: ORD-0374, Version: 1

Conduct a public hearing regarding the issuance of City of Pflugerville, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2017B and consideration and action with respect to "Ordinance Authorizing the Issuance of City of Pflugerville, Texas Combination Tax and Limited Revenue Certificates of Obligation, Series 2017B; Authorizing the Levy of an Ad Valorem Tax and the Pledge of Certain Net Revenues in Support of the Certificates; Approving an Official Statement, a Purchase Agreement and a Paying Agent/Registrar Agreement; and Authorizing Other Matters Related to the Certificates." (TIRZ developer reimbursement)

The proposed certificates of obligation will be used to reimburse the developer for projects constructed by the developer in the Tax Increment Reinvestment Zone (TIRZ). The total amount of obligations issued, including issuance costs, will not exceed \$2,300,000. This payment will fully reimburse the developer for all projects completed under the TIRZ project plan.

Originally, an additional bond issuance was proposed to reimburse the City for the remaining portion of reimbursement due for City constructed TIRZ projects. Upon discussions with the City's Financial Advisor, this issuance will not proceed and will be funded directly from future TIRZ funds.

The attached ordinance has been prepared by bond counsel. The pricing terms of the certificates will be finalized and incorporated into the ordinance on November 14th after the obligations have been priced. Moody's Investor Services and S&P Global Ratings have both assigned ratings on this debt issuance. Moody's has maintained the City's Aa1 rating and S&P has maintained the City's AA rating. Mr. Terrell Palmer, the city's financial advisor, was instrumental in working with the staff last summer to have the City's bond ratings reviewed, and subsequently upgraded. This upgrade will have a positive effect on the interest rate paid by the city on this issuance.

Mr. Terrell Palmer, the City's financial advisor with Hilltop Securities and Mr. Richard Donoghue, City's bond counsel with McCall, Parkhurst, and Horton, will be in attendance to answer any questions that City Council may have.

Prior City Council Action

On September 12, 2017, the City Council approved a Notice of Intent Resolution for this issuance of Certificates of Obligation, Series 2017B. On October 24, 2017, the City Council approved a draft of the Preliminary Official Statement. A tentative financing schedule is attached to this agenda item.

Deadline for City Council Action

In order to close on the bonds and receive the funds by December 12, 2017, this public hearing must be held and the ordinance must be adopted on November 14, 2017.

Fiscal Impact

The payments for these bonds will be made from TIRZ funds and will have no effect on the City's budget.

Staff Recommendation

Conduct the public hearing and consider the ordinance on first and final reading to award sale of certificates.

Drafter

Lauri Gillam
Assistant City Manager